

IDAHO STATE TAX COMMISSION
COMMISSIONERS' OPEN MEETING
MINUTES OF MEETING HELD MAY 1, 2013

In attendance: Commissioners Richard Jackson, Tom Katsilometes, David Langhorst and Ken Roberts; Michael Chakarun, Valerie Dilley, Steve Fiscus, Roxanne Lopez, Robin O'Neill, Chuck Pond, Mark Poppler, Liz Rodosovich, Randy Tilley, Bill von Tagen, Doreen Warren; George Brown, Chelsea Kidney, Erick Shaner, and Phil Skinner; Cynthia Adrian, Alan Dornfest, McLean Russell, Don Williams. Guest: Richard Budzich, Benjamin Davenport, and Steven Olsen.

Public Session.

Commissioner Tom Katsilometes convened the open meeting.

Presentation of Certificates of Service.

Roxanne Lopez, Human Resources Officer, acknowledged the employees that were receiving a Certificate of Service, and stated how much all of their work efforts were appreciated. The recipients this month all happened to be absent and would receive their certificates at a later time.

The Certificate of Service recipients were: Evan Stimpson, Technical Records Specialist 1 in Central Processing (Revenue Operations), and Evan Reed, Technical Records Specialist 2 (Revenue Operations) for 5 years of service; Georgia Callantine, Tax Audit 3 in Fuels Tax Audit (Audit & Collections) for 15 years of service.

The Commissioners said how the recipients' years of service and efforts were commendable and appreciated. Steve Fiscus, Property Tax Division Administrator, and Roxanne discussed how anniversary dates have been delayed by the furlough days.

Business Requiring Vote of the Commission.

Minutes: Open Meetings – April 9, 2013; April 12, 2013.

Chairman Jackson moved that the minutes of the open meetings held on April 9, 2013, and April 12, 2013, be approved, and Commissioner Roberts seconded. There were no comments or amendments. All voted in the affirmative, and the minutes were approved.

Resolution 13-01 – Delegations of Authority.

Chuck Pond, Safety & Security Officer, presented Resolution 13-01 – Delegations of Authority to the Commission, which would replace Resolution 10-01. Chuck explained that the new resolution included the removal of Unclaimed Property, changes from employee names to the appropriate positions, requirement for annual reports instead of quarterly, and acknowledgment of the new Collections Division.

Commissioner Langhorst moved that Resolution 13-01 – Delegations of Authority be approved, and Chairman Jackson seconded. There were no further comments or questions. All voted in the affirmative, and the motion passed.

Memorandum of Understanding – City of Ketchum.

Bill von Tagen, Deputy Attorney General, presented the Memorandum of Understanding (MOU) with the City of Ketchum. Bill explained that the MOU authorizes the Idaho State Tax Commission (ISTC) to administer and enforce the collection of local option tax for the City of Ketchum. Chairman Jackson thanked Randy Tilley, Mark Poppler, and Doreen Warren for their work on the project with the Ketchum City Council and the mayor.

Commissioner Roberts moved that the Memorandum of Understanding – City of Ketchum be approved, and Chairman Jackson seconded. There were no further comments or questions. All voted in the affirmative, and the motion passed.

Administrative Reports.

Public Information Office, Liz Rodosovich.

Liz Rodosovich, Public Information Officer, noted that the Tax Commission's new public website rolled out this morning, following a day of just-in-time training for employees. About 20 staff, representing every agency division, took one of the four hands-on demos in the training room, and a noon session was held in Conference Room 1CR5 for the field offices.

Feedback was overwhelmingly positive so far, and Public Information (PIO) is encouraging people to send in their comments and suggestions for improvement, either by email or through the website's new feedback survey feature. PIO will continue to work on a list of post-launch enhancements.

Commissioner Katsilometes thanked Cheryl Flinn, the agency's Web designer, and Leslie Jones for the content, in addition to all the subject matter experts and Web usability testers who worked with PIO to make this new site a reality.

Revenue Operations, Doreen Warren.

Doreen Warren, Revenue Operations (RO) Division Administrator, reported as of Tuesday, Revenue Operations has 84,000 returns in the queue for processing.

To date, RO has issued 403,000 refunds totaling \$208 million since the beginning of the year. Doreen added that the refunds are being paid right on target and RO is ahead of schedule on processing the returns.

Management Services, Mark Poppler.

Mark Poppler, Financial Officer, noted that he would approach the Board of Examiners again this month, but not about the refund fund. With the completion of the hiring process for the new Consulting Appraiser in Property Tax, one of the fleet vehicles has been pulled out of the general Boise fleet and assigned permanently to the new employee, similar to the arrangements for each of the existing Consulting Appraisers. However, the assignment must be officially approved by the Board of Examiners per state policy.

Progress continues towards completion of the administrative agreement between the City of Ketchum and the Tax Commission. Mark said he appreciated Bill von Tagen's help in working with the City officials and their attorneys to finalize an MOU, spelling out the details of the arrangement. The MOU, officially approved by the Commissioners during the meeting, will be presented next Monday night, May 6, at the City Council meeting in Ketchum. Randy Tilley is attending the meeting to represent the Commission and answer questions about the arrangement.

Property Tax, Steve Fiscus.

Steve Fiscus, Property Tax, Division Administrator, reported that Property Tax (PT) has hired two new employees.

There were no more administrative reports.

Reports on Rules Committees.

Motor and Special Fuels Tax Rules – Committee Chair, Don Williams.

Don Williams, the Motor and Special Fuels Tax Rules Committee Chair, reported that the first committee meeting was on March 6 with twenty in attendance. The second committee meeting was on April 2 with fourteen in attendance, and one participating by phone.

Don noted that the International Fuel Tax Agreement (IFTA) conversion ballot was not posted yet, so proposed Rule 110 was not discussed yet. The next Motor and Special Fuels Tax Rules Committee meeting was scheduled for that afternoon on May 1, 2013.

Commissioner Langhorst clarified that the open meeting's rules reports were for transparency and for those interested in tax policy. Discussion followed on the value of having transportation representatives attend the Motor and Special Fuels Tax Rules committee meetings. It was noted that those interested in attending can subscribe to the RSS feeds on the agency website or as shown on the website's calendar, to contact Sherry A. Cann, Rules Coordinator.

There were no more questions.

Income Tax, Administration & Enforcement, Kilowatt, Mine License Rules – Committee Chair, Cynthia Adrian.

Cynthia Adrian, Income Tax, Administration & Enforcement, Kilowatt, Mine License Rules Committee Chair, noted that the committee did not hold a meeting since the last open meeting, so she had nothing new to report. The next committee meeting would be on May 8 to discuss the many rules, drafts and ideas submitted by the public.

There were no more questions.

Sales Tax Administrative Rules – Committee Chair, McLean Russell.

McLean Russell, Sales Tax Administrative Rules Committee Chair, noted that the last committee meeting was on April 18. McLean highlighted the proposed changes to Rule 010 – Definitions. The definition of hotel/motel will be changed to include sites with a structure on them intended for sleeping, such as a yurt, lookout tower, or a cabin. This change will require Idaho Parks & Recreation to begin collecting the travel and convention tax on rentals of these sites. The rule explicitly says the agency needs to collect the tax. The agency already collects sales tax on these transactions.

McLean noted that the committee will discuss the Draft 1 of the proposed Rule 027 – Computer Equipment, Software, & Data Services, and the Industry Draft at the May 22 meeting. This is a hot topic since the passage of House Bill 243 this year. In addition, a new chapter of rules must be created to address the E911 fee imposed by House Bill 193.

There were no more questions.

Property Tax Rules – Committee Chair, Alan Dornfest.

Alan Dornfest, Property Tax Rules Committee Chair, reported that the last committee meeting was on April 23, and the next meeting would be on May 20. Alan referenced issues with the proposed rule on the developers' site exemption and noted it was undetermined if a rule is wanted on this or if it adds any clarity.

Alan noted that there was confusion on the application of the personal property exemptions. Alan advised the Commission to stay away from the definitions of issues and stay with the procedural issues.

Commissioner Katsilometes asked if Alan was doing a presentation for legislators on the operating property and Alan was not aware of a presentation. The sub-committee on operating property was only dealing with the appeals' hearing procedures. Mike Chakarun noted that the process can be discussed at the Idaho Society of Certified Public Accountants (ISCPA) Roundtables this month. Discussion followed and it was recommended that there be session on Property Tax at the Fall training for the practitioners. Alan added that the recent press release was very good and the only trouble was when someone deviated from the content in the press release.

There were no further questions.

Other Business.

Chairman Jackson thanked Benjamin Davenport, Associated Taxpayers of Idaho (ATI) for coming and welcomed him to the open meeting. Mr. Davenport said he was happy to attend and will come more often.

There was no other business.

Public Comments.

There were no more public comments.

Recess.

Commissioner Katsilometes recessed the Public Session for five minutes to reconvene for the commissioners to meet with the Commission's legal counsel.

Reconvene Meeting.

Commissioner Katsilometes reconvened the open meeting.

Executive Session.

Commissioner Langhorst moved to move into the Executive Session. Chairman Jackson seconded. Commissioners Jackson, Katsilometes, Langhorst, and Roberts all voted in favor by roll call and the motion passed.

The Commission met in executive session with its legal counsel pursuant to Idaho Code § 67-2345(1)(f) to discuss the current status of litigation to which the Commission is a party. No matters requiring a vote of the Commission resulted from the executive session.

Public Session.

Commissioner Katsilometes declared the Executive Session was ended and returned to the public session.

Bill von Tagen, Deputy Attorney General, presented This Day in History.

This Day in History, May 1:

1889 – First International Workers’ Day declared by 66 nations.

1926 – Satchel Paige makes pitching debut in NSL.

1939 – Judy Collins of the Clouds was born.

1941 – The movie *Citizen Kane* premiered.

1952 – Mr. Potato Head was introduced.

1977 – Bebe the Dolphin, AKA Flipper, died at age 40.

#1 Song

1958 – The “Witch Doctor”, by David Seville.

1971 – “Joy to the World”, by Three Dog Night.

There being no further business, the meeting adjourned.

Valerie Dilley
Secretary

Tom Katsilometes
Chair